

Message Text

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UNCLAS PARIS 28015

E. O. 11652: N/A
TAGS: EFIN
SUBJECT: FOREIGN TARIFF AND TAX TREATMENT OF GOLD
COIN AND MEDALLION SALES

REF: STATE 210937

FOLLOWING INFORMATION IS SUPPLIED IN RESPONSE TO
REFTEL:

1. HOW DOES YOUR COUNTRY TREAT GOLD COINS AND
MEDALLIONS FOR IMPORT TARIFF AND VALUE ADDED OR
SIMILAR TAX PURPOSES?

(A) IMPORT TARIFF FOR GOLD MEDALLIONS IS ZERO
FROM COMMON MARKET COUNTRIES; 4-1/2 PERCENT FROM OTHER
COUNTRIES.

(B) IMPORT TARIFF FOR GOLD COINS IS ZERO.
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(C) VALUE ADDED TAX FOR GOLD MEDALLIONS IS
33.3 PERCENT.

(D) VALUE ADDED TAX FOR GOLD COINS IS ZERO.

(E) THERE IS ALSO A FLAT TAX OF FOUR PERCENT LEVIED ON

THE PRIVATE SELLER FOR ANY SALES TRANSACTION OF GOLD COINS OR MEDALLIONS IN LIEU OF CAPITAL GAINS TAX. THIS TAX DOES NOT APPLY TO PROFESSIONAL SELLERS SUCH AS JEWELERS OR GOLD DEALERS.

2. ARE COINS TREATED DIFFERENTLY FROM MEDALLIONS?
YES, SEE PARAGRAPH 1.

3. IN SUCH CASES, HOW ARE "COINS" DEFINED, PARTICULARLY IN REGARD TO AS WHETHER THEY ARE CONSIDERED LEGAL TENDER?

--ANY "COIN" WHICH HAS AT ANY TIME BEEN LEGAL TENDER IS CONSIDERED A COIN; A MEDALLION DOES NOT HAVE A MONETARY DENOMINATION.

--FOR IMPORTS OF ALL GOLD COINS OR MEDALLIONS, BANK OF FRANCE APPROVAL IS REQUIRED. FOR GOLD MEDALLIONS THE APPROVAL OF BOTH THE BANK OF FRANCE AND THE FRENCH MINT IS REQUIRED.

--BANK OF FRANCE NORMALLY GRANTS APPROVAL FOR IMPORTS OF COINS FOR SUPPLY TO THE OFFICIAL FRENCH GOLD MARKET. SUCH PERMISSION IS ONLY GIVEN FOR COINS ADMITTED AT THE PARIS GOLD EXCHANGE. FOR EXAMPLE, THIS IS NOT THE CASE FOR KRUGGERRAND OR THE NEW RUSSIAN TEN RUBLE GOLD COIN EVEN THOUGH THESE THEORETICALLY UNCLASSIFIED

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ARE LEGAL TENDER AND ARE NEGOTIATED IN A NUMBER OF COUNTRIES OUTSIDE FRANCE. BANK OF FRANCE APPROVAL SOMETIMES IS ALSO OBTAINED FOR COINS NOT NORMALLY TRADED ON THE PARIS GOLD MARKET. THE BANK OF FRANCE CLOSELY WATCHES AND SUPERVISES THE FRENCH GOLD MARKET. ADMINISTRATIVE DECISIONS ARE NORMALLY MADE ON A CASE-BY-CASE BASIS.

4. SPECIFICALLY, HOW IS THE SOUTH AFRICAN KRUGGERRAND TREATED?

THE KRUGGERRAND IS NOT ADMITTED INTO FRANCE (SEE NUMBER 3 ABOVE).
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